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## Mexico

### Agricultural Situation

#### Weekly Highlights & Hot Bites, Issue #28

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**Approved by:**

William L. Brant  
U.S. Embassy

**Prepared by:**

Donna Chase, Benjamin Juarez and Dulce Flores,

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**Report Highlights:**

USG Concerned About Mexico's Commitment To Uphold NAFTA\*Emergency NOM for Dry Bean Imports Overturned\*U.S. Analyzes Sanctions Against Mexico\*GOM Unable To Make Headway In AGR Negotiations With USG\*Washington Accused Of Having A Double Standard\*Nobel Prize Winner Says NAFTA Should Be Modified\*Economy Secretary Will Present Mexico's Position On The Next WTO Round\*Mexico Might Not Have Sugar Surplus To Export Under NAFTA\*National Agricultural Pact Should Be Respected\*Attitude of Resistance To Comply With The National Agricultural Pact\*GOM Suspends Importations Of Canadian Beef

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Mexico [MX1]  
[MX]

Welcome to Hot Bites from Mexico, a weekly review of issues of interest to the U.S. agricultural community. The topics covered in this report reflect developments in Mexico that have been garnered during travel around the country, reported in the media, or offered by host country officials and agricultural analysts. Readers should understand that press articles are included in this report to provide insights into the Mexican "mood" facing U.S. agricultural exporters. Significant issues will be expanded upon in subsequent reports from this office.

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### **USG CONCERNED ABOUT MEXICO'S COMMITMENT TO UPHOLD NAFTA**

U.S. Agriculture Secretary Ann Veneman told the House Committee on Agriculture that the USG was "concerned about Mexico's commitment to uphold NAFTA." Rep. Robert Goodlatte said Mexico might be trying to "renegotiate NAFTA through questionable methods." (Source: *Universal*, 5/22/03)

### **EMERGENCY NOM FOR DRY BEAN IMPORTS OVERTURNED**

The Agricultural Secretariat overturned "NOM Emergente 041" which created strict phytosanitary guidelines for the importation of U.S. beans. It has now relaxed those requirements. Luis Montemayor, Director of the "Granos Selectos" packing firm, said the GOM was "failing to comply with NAFTA when it had closed the border to U.S. beans." (Source: *Reforma*, 5/27/03)

### **U.S. ANALYZES SANCTIONS AGAINST MEXICO**

USTR Ambassador Allen Johnson said that the USG was prepared to take "necessary actions" to protect its agricultural trade with Mexico, unless it noticed progress on trade disputes. Johnson told a Senate Committee on Western Hemisphere Affairs that the Bush administration made it clear to Mexico that it expects it to uphold its international commitments on trade. (Source: *El Financiero*; *La Jornada*, 5/21/03)

### **GOM UNABLE TO MAKE HEADWAY IN AGR NEGOTIATIONS WITH USG**

Eduardo Perez Mota, Mexico's Ambassador to the WTO, said the GOM was unable to make headway in agricultural negotiations with the USG, and for that reason it was supporting a multilateral approach to agricultural issues. (Source: *Financiero*; *Milenio*, 5/22/03)

### **WASHINGTON ACCUSED OF HAVING A DOUBLE STANDARD**

An article reviews recent U.S. officials' charges that Mexico was not upholding its trade commitments, claiming that Washington holds a "double standard" on trade because it subsidizes its own farmers, while limiting Mexico's right to do so. Heladio Ramirez, President of the National Farm Workers' Confederation, claimed that the USG had not upheld its trade commitments to Mexico. (Source: *Financiero*, 5/23/03)

**NOBEL PRIZE WINNER SAYS NAFTA SHOULD BE MODIFIED**

Norman Borlag, a Nobel Prize winner, said NAFTA should be modified to protect the welfare of Mexican corn and bean farmers. Borlag said small-scale Mexican farmers did not receive enough support to compete in an open market. (Source: *Financiero*, 5/27/03)

**ECONOMY SECRETARY WILL PRESENT MEXICO'S POSITION ON THE NEXT WTO ROUND**

Mexico's position on agricultural subsidies and other issues will be presented by Secretary of Economy, Fernando Canales-Clarion, during the next WTO round of negotiations in Cancun, Mexico, this September. Secretary of Foreign Relations Luis Ernesto Derbez will be the chairman of this round. Regarding Mexico's position on agriculture subsidies, the GOM will propose the immediate elimination of export and internal subsidies, which in their opinion distort international trade. (Source: *El Financiero*, 5/21/03)

**MEXICO MIGHT NOT HAVE SUGAR SURPLUS TO EXPORT UNDER NAFTA**

Mexico runs the risk of not being a sugar surplus country and thus will be unable to export sugar to the U.S. under NAFTA. According to the Sugar Cane Association, sugar production up to May 10 was about 4.538 million tons which is under domestic demand of about 4.7 millions tons. However, the forecast is 4.8 million tons of sugar for marketing year 2002/03. (Source: *Economista*, 5/21/03)

**NATIONAL AGRICULTURAL PACT SHOULD BE RESPECTED**

Agrarian Reform Secretary Florencio Salazar rejected calls from farming groups to reform agrarian laws, saying that the National Agricultural Pact should be respected. Salazar said the Interior Ministry would allocate 136 million pesos (US\$13.6 million dollars) to resolve land conflicts in Sonora, Sinaloa, Hidalgo, Veracruz and Guerrero. (Source: *Reforma*; *Universal*; *Financiero*, 5/23/03)

**ATTITUDE OF RESISTANCE TO COMPLY WITH THE NATIONAL AGRICULTURAL PACT**

One of the agricultural organizations that signed the National Agricultural Pact, the Permanent Agricultural Congress (CAP), pointed out that compliance with the Pact is not progressing because there are still attitudes of resistance to change agricultural policies that persist by federal officials. The new coordinator of CAP, Max Correa, expressed this when receiving his new position. Mr. Correa also indicated that the street demonstrations will continue if the goals of the National Agricultural Pact are not met. (Source: *Reforma*; *Excelsior*, 5/28/03)

**GOM SUSPENDS IMPORTATIONS OF CANADIAN BEEF**

Mexico has suspended importations of Canadian beef and meat products, due to a reported outbreak of mad cow disease. (Source: *Financiero*, 5/22/03)

## REPORTS SUBMITTED RECENTLY BY FAS/MEXICO CITY

Number	Title	Date
MX3069	Weekly Highlights & Hot Bites, Issue #27	5/21/03
MX3070	Tomato Semi-Annual Report	5/22/03
MX3071	Modifications to Animal Health Law	5/23/03
MX3072	Mexico's Certification Requirements for Animal Products, Live Animals and Other Products of Animal Origin	5/23/03
MX3073	Cotton Annual Report	5/23/03
MX3074	Mexico Eliminates Compensatory Duty on Imports of Live Hogs for Slaughter	5/23/03
MX3075	Cancellation of NOM-EM-042-FITO-2003	5/27/03

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**FAS/MEXICO EMAIL**

To reach us at FAS/Mexico City, email us at:

[AgMexico@fas.usda.gov](mailto:AgMexico@fas.usda.gov) and/or [ATOMexico@fas.usda.gov](mailto:ATOMexico@fas.usda.gov).